

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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In re PAYMENT CARD INTERCHANGE : MDL No. 1720(MKB)(JAM)
FEE AND MERCHANT DISCOUNT :
ANTITRUST LITIGATION : Civil No. 05-5075(MKB)(JAM)

This Document Relates To: : RULE 23(b)(3) CLASS COUNSEL'S
ALL ACTIONS. : MONTHLY REPORT REGARDING THIRD-
PARTY ENTITIES

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I. INTRODUCTION

This is the fifteenth monthly report regarding third-party claims filers following the Court's request.

Rule 23(b)(3) Class Counsel ("Class Counsel") and Epiq continue to receive communications regarding third parties. Epiq and Class Counsel have continued to receive multiple communications. Calls received via the toll-free number are tracked and reported to Class Counsel from Epiq. Class Counsel also directly receives calls and emails regarding third parties that are followed up on immediately. Additionally, Class Counsel regularly searches online using various keywords to monitor new entrants.

II. STATUS OF PREVIOUS ORDERS TO SHOW CAUSE

A. Cardsettlement.org and Merchant Stronghold

As Class Counsel detailed in a letter seeking an Order to Show Cause filed December 4, 2024 (ECF 9489), new entrants in the claims-filing business had numerous instances of false and/or misleading communications as well as multiple issues with proofs of authority filings and fraudulent filings made without the knowledge or consent of class members. Since the last report, Class Counsel and cardsettlement.org have each filed papers with the Court and Class Counsel has served discovery on both cardsettlement.org and Merchant Stronghold. Responses to the discovery, which included interrogatories, requests for documents, a deposition subpoena, and requests for admission were to be answered by January 6, 2025. As of January 7, 2025, Merchant Stronghold has not provided any response. Cardsettlement.org provided almost no responses and those responses it did provide were insufficient to address the matters the discovery was supposed to clarify. Issues related to its discovery failures and a response to the letter and declaration filed by cardsettlement.org on January 6, 2025 (ECFs 9533, 9534) are the subject of a letter filed with the Court earlier today. *See* ECF 9536.

Class Counsel expects the Court will provide direction regarding next steps.

III. MISLEADING WEBSITES AND SOLICITATIONS AND OTHER MATTERS

A. CardNet Settlement

Another issue has arisen related to what appear to be false submissions of proofs of authority documents. Epiq alerted Class Counsel to six contracts submitted by CardNet Settlement (“CardNet”) that do not appear to be legitimate. The contracts are for companies such as WalMart and Google and are signed by persons who do not appear to have any connection with those entities. Class Counsel contacted CardNet and attached the suspect contracts. Class Counsel explained that CardNet needed to provide answers as to why such contracts were submitted and to detail processes in place regarding their vetting procedures. A response was requested to be received no later than January 6, 2025. On January 6, 2025, Class Counsel received a response from CardNet’s outside counsel. The company explained its processes and committed to validating all submitted claims and withdrawing any that were improperly submitted. Class Counsel does not believe any additional action is needed at this time, but will have Epiq monitor its submissions and report further next month.

B. Other Issues Related To Solicitations

A few additional issues have arisen over the last month, but for the most part the issues have been quickly remedied.

In one case, a third-party claimed falsely in advertisements that Class Counsel would charge merchants 25% to file claims. Class Counsel immediately reached out to the company and demanded that a corrective notice be sent to all class members that had received the false information. The company provided a draft email and Class Counsel provided comments. The email was sent and at this time no further action appears necessary.

C. Letter from Class Member Sent to the Court

On December 16, 2024, a letter to the Court from merchant Frogurt, LLC (“Frogurt”) was posted on the public docket in this matter. The merchant wrote “to respectfully express [its] concerns” with the extensions to the claims-filing deadline. ECF 9509. The same day, this Court

ordered Class Counsel to respond to the letter “in their next monthly status report.” *Id.* Class Counsel responded to Frogurt’s letter by e-mail on December 20, 2024, discussing each of the three topics it posed. Class Counsel’s response is attached as Exhibit A. Aside from acknowledging receipt of this letter, Frogurt has not subsequently contacted Class Counsel.

D. Outreach to Third Parties by Epiq

As Class Counsel previously reported, since August 18, 2023, Epiq has been performing specific outreach efforts to known third-party claims filers.

As of January 2, 2025, Epiq has received client lists from a total of 444 third-party claim filers claiming representation of 10 or more claimants which is an increase of 53 Third-Party Filers from last month’s report. The third-parties claim total representation of 599,277 Tax Identification Numbers (“TINs”), which is an increase of 25,150 TINs from last month’s report. Work continues, including the development of processes to efficiently handle the expected increase in third-party claims.

IV. CONCLUSION

Class Counsel will continue to apprise the Court regarding issues with third-party claims filers via monthly reports and will bring urgent matters to the Court’s attention via letter. The next monthly report will be filed on February 7, 2025.

DATED: January 7, 2025

ROBBINS GELLER RUDMAN
& DOWD LLP
PATRICK J. COUGHLIN
ALEXANDRA S. BERNAY

s/ Alexandra S. Bernay
ALEXANDRA S. BERNAY

655 West Broadway, Suite 1900
San Diego, CA 92101
Telephone: 619/231-1058
619/231-7423 (fax)

ROBINS KAPLAN LLP
K. CRAIG WILDFANG
THOMAS J. UNDLIN
RYAN W. MARTH
2800 LaSalle Plaza
800 LaSalle Avenue South
Minneapolis, MN 55402-2015
Telephone: 612/349-8500
612/339-4181 (fax)

BERGER MONTAGUE PC
H. LADDIE MONTAGUE, JR.
MERRILL G. DAVIDOFF
MICHAEL J. KANE
1818 Market Street, Suite 3600
Philadelphia, PA 19103
Telephone: 215/875-3000
215/875-4604 (fax)

Co-Lead Counsel for Plaintiffs